

U.S. Bankruptcy Court
Western District of N.C.

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What's Inside?



Operations Information CW/ECF Update A Word from the Clerk New Law Clerks . . . and more

U.S. Bankruptcy Court

Western District of N.C.

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The Chambers "Skinny"

by George R. Hodges & J. Craig Whitley, Bankruptcy Judges



Writing this piece a day after the terrorist attacks, I'm reminded of how we take things for granted. Big picture (American peace and prosperity) or small (the value of a friendship), we seem to appreciate what we have only after it is gone.

Last Thursday, I called up an elderly friend who had been battling cancer. We hadn't spoken in a while. Martha was in good spirits when we spoke and talked my ears off. Mainly, the conversation was about how to best make apple cider (don't let "protein," i.e., worms, get in the mash). Unexpectedly, Martha died on Saturday.

Then this Tuesday, I was able to get an e-mail through to my friend in NY. He had recently changed jobs. Good move. His old office was way up in one of the WTC buildings. At this writing, he doesn't know how many friends made it out of the building.

With this in mind, we'd like to offer a word of appreciation to you—in the here and now for a change. It may not always seem like it, folks, but the judges at this court really think the world of you, our staff and our Bar.

It's been tough for you lately. You know it. We do too. Bankruptcies are skyrocketing. You're overworked. You're having to change the way you work due to ECF and other new technologies.

Through it all, you have been a pleasure to work with. Positive and resourceful. Respectful of your peers. If you've practiced law in other forums, you know it's not like this everywhere. This is a good place to practice law -- and we must all take care to keep it this way.

So, in this time of national reflection, we give thanks -- for all of you. Keep up the good work.

J. Craig Whitley



Fresh Faces

We have recently hired three new Clerk's Office employees in the Charlotte division. Joy McMurry works in the Customer Service Area. She has been working as a paralegal for over five years. Sandra Rowland is also located in the Customer Service section. She just moved from Asheville, NC where she had worked for many years at Buncombe County Social Services. Genetha Greene is currently a case administrator at the Bankruptcy Court in Atlanta, a court which also uses CM/ECF. We expect her arrival date to be October 9th.

We are in the process of hiring an additional case administrator for the Asheville Division.



NOTABLES:



During August 19 through September 18, 2001, over 27,330 docket entries were made and 84,111 pages were attached.



New bankruptcy cases filed for the 12-month period ending June 30:

2001: 7,911* 2000: 6,821 1999: 7,037 1998: 7,059

*Breakdown: Ch. 7: 3,869 Ch. 11: 44 Ch. 12: 1 Ch. 13: 3,997 7,911



New adversary cases filed for the 12-month period ending June 30:

2001: 3522000: 3291999: 3811998: 897



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Page 2

Court Connection



News in Court Operations

by Gerri Crockett, Clerk of Court

The management team and I want to thank everyone for all the support you have shown in the implementation of the new electronic filing system (CM/ECF). Those who have filed their petitions and other documents electronically have generally been very pleased with the results. Some mentioned that they were very surprised at how easy it is. We recognize that problems will crop up from time to time and we will make every effort to help you through the filing process. The following are some points of interest or information we would like to pass on:

- The retrieval of all electronically filed documents is much faster than those documents that are scanned in the Clerk's Office. Thus, it is easier for you and the public to review these documents if they are filed electronically.
- ♦ Many times we receive unreadable, crooked, smeared, cut off or otherwise difficult to read documents. Usually these are exhibits, but sometimes they are other pleadings. It is imperative that the documents filed with the court are readable. When the Clerk's Office notices these documents, they will place a note in the docket text that the original documents are unreadable.
- The Western District is an active mentor court in the nationwide implementation of CM/ECF. In an effort to make a positive difference nationwide, we currently mentor the following courts: Ohio Northern, Western District of West Virginia, Alabama Southern and Wyoming. In addition to the formal mentor program, we have had a number of courts visit and review our operations (Nebraska, Missouri Western and Connecticut).
- ♦ If the filings continue at the current rate, we might have over 8,000 new filings by the end of this year!

Discontinuation of Drop Box



Due to security concerns, the Bankruptcy Court's Drop Box for both the Charlotte and Asheville Divisions will no longer be available. We are sorry for any inconvenience this might cause. However, the Court is fortunate at this time to be able to offer 24-hour filing via the new electronic filing system (CM/ECF). Please visit our website for further information.

New Kids on the Block

The court is pleased to welcome two new law clerks, and new members of the Mecklenburg County Bar, Kristen Scott and Cotten Wright.

Kristen Scott joined the bankruptcy court as law clerk to Judge Craig Whitley this past August. Kristen graduated from Wake Forest University School of Law in May, 2001. Before law school, she received a Bachelor of Arts degree in Sociology from the University of North Carolina at Greensboro.

A North Carolina native, Kristen was born and raised in Brevard, North Carolina. Kristen says she is excited about working with Judge Whitley and Judge Hodges and about learning the law on bankruptcy.

In her free time, Kristen enjoys playing racquetball, working out, reading, and learning to play the guitar.

Cotten Wright joined the court in August as law clerk to Judge Hodges. She graduated this spring from the University of North Carolina at Chapel Hill School of Law. The law is Cotten's second career. Prior to enrolling in law school, she was a non-profit fund-raiser, serving most recently as the development officer of a domestic violence center.

Cotten is a relative newcomer to North Carolina. A Jacksonville, Florida, native, she has two sons who have also made this state their home. Cotten says that she looks forward to gaining experience in the area of bankruptcy law and to working with members of the Western District's Bankruptcy Bar.

CIVI/EUF Update

by Karen Heavner

The Bankruptcy Court Clerk's Office for the Western District of North Carolina began docketing in CM/ECF (the Judiciary's new Case Management/Electronic Case Files system) on Monday, March 5, 2001 and began training attorneys and trustees in May. By early September, over 100 people representing more than 40 attorney and trustee offices had attended the training, and the court had assigned 30 attorney and trustee logins representing 22 offices. A listing of all authorized users of the system may be found under "Court Announcements" on the court's ECF web page at http://www.ncwb.uscourts.gov/ecf/ecf.html.

The percentage of bankruptcy petitions filed electronically is rising monthly. Listed below are current statistics through the Month of August, 2001.

Month	Total Petitions Filed	E-filed	Percentage E-Filed
May	725	10	1.4%
June	746	23	3.1%
July	740	78	10.5%
August	820	108	13.2%

To become an authorized user of CM/ECF you must attend the court's training and file with the court 1) a Registration Form agreeing to accept service electronically and 2) a Credit Card Authorization form. Both of these forms may be found on the court's ECF web page at http://www.ncwb.uscourts.gov/ecf/ecf.html, or may be obtained by clicking on the CM/ECF Attorney Training Registration hyperlink on the court's homepage: www.ncwb.uscourts.gov. CM/ECF training is scheduled in Charlotte Mondays and Wednesdays from 9:00 a.m. to 1:00 p.m. in the court's training room located across the street from the federal courthouse. Persons who desire training in Charlotte may register on-line by clicking on the CM/ECF Attorney Training Registration hyperlink on the court's Internet site: www.ncwb.uscourts.gov. CM/ECF training is scheduled in Asheville Tuesdays and Thursdays from 9:00 a.m. to 1:00 p.m. in the Clerk's Office. Persons who desire training in Asheville may register by calling (828) 771-7301. CLE credit is offered to attorneys and paralegals. The form to obtain CLE credit for this training is available at both the Asheville and Charlotte training sites.

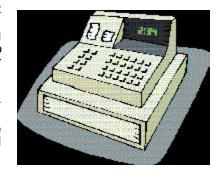
Questions Answered:

Attorney Use of Credit Cards in CM/ECF

(informal answers provided by Alice Moseley at the State Bar, Raleigh, NC)

Question: "The debtor pays me the petition filing fee and I place the funds in my trust account. Then I file the debtor's petition electronically. The credit card company sends me the bill at the end of the month, which I pay using a check drawn on my operating account. At what point should I transfer the filing fee payment from the trust account to the operating account? At the time I file the petition, when my credit card is charged or when I receive the bill?"

Answer: It would be appropriate to transfer the funds from the trust account to the operating account when the expense is incurred, even though the credit card bill has not yet been paid. There is no reason to leave the funds in the trust account and pay the filing fee charges with a trust account check, so long as the client's trust account ledger card shows the correct deposit and disbursement for the filing fee expense.



Question: "Is it ethical for the attorney to use a credit card for these purposes which gives the holder additional benefits for charges made to the card, such as earning frequent flyer miles or store credits?"

Answer: There is no problem with the attorney using a credit card that provides the lawyer with benefits such as air mileage or store credits because it does not harm or prejudice the client in any way.

Page 3